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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001709

SIPDIS

STATE PASS AIT/W

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TAGS: [PGOV](#) [PREL](#) [TW](#)

SUBJECT: KMT DEFENDS RAPPROCHEMENT WITH CCP

REF: A. TAIPEI 01626

[1](#)B. TAIPEI 01572

[1](#)C. TAIPEI 01625

Classified By: AIT Acting Director David Keegan, Reason(s): 1.4 (B/D)

[1](#)1. (C) Summary: KMT Mainland Affairs Director Chang Jung-kung told AIT that the KMT and PRC are building a cooperative relationship that is based on their shared opposition to Taiwan independence. Chang stated that the KMT and Chinese Communist Party (CCP) have a tacit agreement not to discuss the status of the "Republic of China" and instead would focus their interaction on economic issues. Chang and other KMT officials told AIT that the recent KMT cross-Strait initiatives represent a policy assessment that the Chen administration's attempts to align with the U.S. and Japan had failed, and that Taiwan's best approach would be to join the "band-wagon" of China's rising economic strength. KMT officials remain adamant that they will assert unilateral leadership in cross-Strait engagement and will not consult with President Chen Shui-bian or any other political party. KMT officials reject government charges that KMT Vice Chairman P.K. Chiang's "Ten-Point" agreement with the Chinese Communist Party (CCP) amounted to "treason," arguing that he did not sign any formal document. KMT officials have publicly rejected the "treason" charges, contending that that the Beijing government should not be considered a "foreign country" under the "ROC" constitution. End Summary.

KMT-CCP Agreement Good for Taiwan

[1](#)2. (C) KMT officials continue to assert that they acted both legally and in the interest of cross-Strait stability despite the April 6 Ministry of Justice (MOJ) statement that prosecutors were investigating a private complaint challenging the legality of the "Ten-Point" agreement reached by the KMT and CCP on March 30. While KMT Vice Chairman P.K. Chiang, who is the subject of the investigation, has offered his full cooperation, other KMT leaders have denounced the government for employing political persecution. Privately, KMT officials claim the Chen administration's March 6 "Seven-Point" statement was aimed at derailing the KMT's emerging relationship with Beijing.

[1](#)3. (C) On April 6, KMT Mainland Affairs Director (and party spokesman) Chang Jung-kung and KMT Overseas Affairs Director Ho Szu-yin, in separate meetings, provided AIT with the KMT's formal readout of its ongoing efforts to reach out to Beijing. Chang asserted to AIT that the KMT-CCP rapprochement was aimed at stabilizing cross-Strait relations. Chang admitted to AIT that the KMT commitment to the "Republic of China" (ROC) was unacceptable to its CCP counterparts. Instead, Chang said, the PRC and the KMT have based their cooperation on their shared opposition to Taiwan independence, and have focused on that commonality. To support his argument he said that the KMT's visit to Beijing reassured the PRC government that Taiwan independence was not the majority opinion in Taiwan. As evidence of the KMT's access and influence on cross-Strait relations, Chang claimed that the PRC now believes that "as long as there is a KMT, Taiwan will not tread down the path of independence." Chang went further, suggesting that Lien Chan's upcoming visit to Beijing would convince the PRC to tolerate even the most provocative pro-independence statements by Chen Shui-bian because they would understand that Chen would be unable to institutionalize his vision.

Showing up the DPP

[1](#)4. (C) Chang dismissed the DPP's April 5 "Seven-Point" statement (Ref A) as irrelevant, asserting that it had failed to counter adequately the KMT-CCP "Ten-Point" agreement. He told AIT that the DPP is disingenuous when it claims that it wants to engage the PRC. Chang asserted that the PRC has been looking for opportunities to show good will toward Taiwan, but the DPP government has blocked these efforts at every turn. He criticized the DPP's April 5 call for a cross-partisan consultations as petty politics aimed at discrediting the KMT's achievements and making it impossible for anyone to visit the PRC. In response to the DPP's

allegation that the KMT-CCP "Ten-Point" agreement was illegal, Chang countered that the agreement was simply a consensus and not a signed document. Publicly, Chang has stated that the government's claim that KMT contacts with Beijing violated Article 113 of the Criminal Code represented a disguised attempt to assert an independent Taiwan. Since the "ROC" constitution recognizes "one China," Chang has argued that the only way for the government to charge the KMT with violating the ban on private entities "negotiating with a foreign government" would be for the Chen administration to define the PRC as a "foreign government."

What's On the Table

15. (C) Media speculation notwithstanding, Chang stated firmly that the KMT delegation could not get any concessions on the PRC stance on World Health Assembly (WHA) observership for Taiwan. (Note: New Party official Spencer Chang told AIT, however, that initial discussions did include possible concession on the issue. See Ref B. End note.) Chang also recognized that the KMT's status as an opposition party limited its role in cross-Straits politics, but argued that the party could still play an important and active role in engaging the PRC, especially on economic and business issues. (Note: KMT Legislator Alex Tsai said, however, that the KMT hoped to work out some language with the PRC that would be seen by the Taiwan public as a PRC renunciation of the use of force. See Ref C. End note.) Ho cited agricultural trade in particular as an important area of opportunity for cross-Straits relations. Chang told AIT that, in fact, the KMT and CCP discussed 12 points, including the 10 released publicly and two points on problems with telemarketers based on Kinmen island, and facilitating travel of businessmen between the PRC and Taiwan. He noted that many of the points, with the exception of the charter flights, are actions the PRC could take unilaterally and did not require Taiwan approval.

16. (C) Chang conveyed confidence that the KMT would continue to be the main player in cross-Straits interactions. He told AIT that while Beijing has welcomed anyone who accepts the "1992 consensus," President Hu Jintao personally invited Lien Chan to visit. Chang made it clear that the KMT is unlikely to support inter-party dialogue on cross-Straits issues with either the People First Party (PFP) or the Pan-Green. Chang told AIT that PFP Chairman James Soong wanted to talk to the KMT, but he dismissed the request as being insincere. He also made the point that Mainland Affairs Council (MAC) Chairman Joseph Wu had attempted to dissuade every KMT delegation from visiting the PRC -- KMT Legislator Chiang Hsiao-yen in January and Chiang's recent trip -- but the KMT ignored both requests.

KMT Jumps on the "Band-Wagon"

17. (C) The KMT's Ho told AIT that the KMT's outreach toward the PRC represented an assessment made after the December 2004 LY election that Taiwan's reliance on aligning itself with the United States was not a viable cross-Straits strategy. Ho explained to AIT that the election results, along with then-Secretary Powell and Deputy Secretary Armitage's comments in late 2004 criticizing President Chen's independence rhetoric, gave the KMT confidence to embark on what he called a "band-wagoning" strategy based on direct contact with the Mainland and an emphasis on business and economic relations with the PRC. Ho, like Chang, justified the visit and "Ten Point" agreement as representing the people's will, remarking that longtime pro-independence supporter and Taiwan businessman Hsu Wen-long's public letter in support of a "one-China principle" underscored the public's support for engagement with China rather than confrontation. Ho stated that the KMT would continue to build upon the agreement and positive rapport between the KMT and CCP and referenced Lien Chan's potential visit to the PRC. According to Ho, the timing of Chan's visit was dependent on public opinion.

18. (C) Ho was confident that there would be no political fallout for the KMT and the public would not brand the party as a "sell-out." He agreed, however, that the PRC was using the KMT as part of a "cunning strategy" to control the cross-Straits agenda. Still, Ho dismissed critics who said the KMT was serving as Beijing's tool, arguing that it did not matter whether the KMT was playing into the PRC's hands because the majority of people wanted to reduce cross-Straits tension.

Comment: Internal Politics as Usual

19. (C) The KMT leadership shows little interest in responding

to either the carrots or sticks being employed by the Chen administration to prevent the KMT from aiding PRC "united front" tactics. Whether out of conviction that what they are doing is the right thing for Taiwan or simply a desire to undermine Chen Shui-bian and James Soong, the KMT leadership has made it clear that it is uninterested in forging a domestic political consensus on cross-Strait policy. The DPP government's heavy-handed attempt to threaten criminal penalties over P.K. Chiang's recent visit is unlikely to dissuade the KMT from taking its own road with Beijing. Ironically, Chiang personally appears to be the rare voice of moderation within his own party. His friendly April 7 meeting with Premier Frank Hsieh, a similarly lonely voice of reason on the DPP side, marked a rare glimpse of statesmanship in an otherwise increasingly petty partisan game of political chicken.

KEEGAN